

2005 DRAFTING REQUEST**Assembly Substitute Amendment (ASA-AB4)**

Received: 01/20/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Tony Staskunas (608) 266-0620

By/Representing: Rep. Staskunas

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters: jkreye

Subject: Tax, Individual - dedct/sbtrct
Tax, Business - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Staskunas@legis.state.wi.us

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Adopt federal health savings account changes for those currently uninsured

Instructions:

See Attached. Limit deduction to individuals who have not had insurance in the last year, or to small businesses that have not offered insurance to their employees in the last year.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	mshovers 01/21/2005	jdyer 01/21/2005	rschluet 01/21/2005		lemery 01/21/2005	lemery 01/21/2005	
/2	mshovers 01/26/2005	kfollett 01/26/2005	chaugen 01/27/2005		sbasford 01/27/2005	sbasford 01/27/2005	

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1?	mshovers	1/21/05					
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FE Sent For:

<END>



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0007/1
MES&JK:.....
jld

ASSEMBLY SUBSTITUTE AMENDMENT ,
TO 2005 ASSEMBLY BILL 4

UPS-
PRINT w/
LINE NUMBERS
↓

WANTED
MONDAY
1/24

AN ACT ...; relating to: adopting federal law as it relates to health savings accounts for state income and franchise tax purposes and providing a penalty. ✓

Analysis by the Legislative Reference Bureau

* This substitute amendment adopts, for state income and franchise tax purposes, section 1201 of Public Law 108-173 as it relates to claiming a deduction for an amount that a person pays into a health savings account, except that it only applies to individuals who have not had health insurance within the 12 months previous to their claim for the deduction that this substitute amendment allows, and to business^s that have not provided health insurance to their employees within the 12 months previous to their claim for the deduction that this substitute amendment allows.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.83 (1) (ce)^x of the statutes is created to read:

71.83 (1) (ce) *Health savings accounts.* Any person who is liable for a penalty for federal income tax purposes under section 223 (f) (4) of the Internal Revenue Code ✓

is liable for a penalty equal to 33 percent of that penalty. The department of revenue shall assess, levy, and collect the penalty under this paragraph as it assesses, levies, and collects taxes under this chapter.

SECTION 2. Subchapter XVI of chapter 71 [precedes 71.98] of the statutes is created to read:

CHAPTER 71

SUBCHAPTER XVI

INTERNAL REVENUE CODE UPDATE

71.98 Internal Revenue Code update. The following federal laws, to the extent that they apply to the Internal Revenue Code, apply to this chapter:

(1) **HEALTH SAVINGS ACCOUNTS.** Section 1201 of P.L. 108-173, relating to health savings accounts, except that this subsection applies only to the following:

(a) With regard to an individual, only an individual who was not covered by any kind of health insurance within the 12 months previous to the time he or she claims a deduction under this subsection.

(b) With regard to a person other than an individual, only such a person that did not provide any kind of health insurance to its employee within the 12 months previous to the time the person claims a deduction under this subsection.

SECTION 3. Initial applicability.

(1) This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

(END)

STATE OF WISCONSIN

Please
Change from
12 months to
60 days.





State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0007/1
MES&JK:jld:rs

(RMR)

ASSEMBLY SUBSTITUTE AMENDMENT,
TO 2005 ASSEMBLY BILL 4

WANTED
THURS 8AM

reger

1 AN ACT to create 71.83 (1) (ce) and subchapter XVI of chapter 71 [precedes 71.98]
2 of the statutes; relating to: adopting federal law as it relates to health savings
3 accounts for state income and franchise tax purposes and providing a penalty.

Analysis by the Legislative Reference Bureau

This substitute amendment adopts, for state income and franchise tax purposes, section 1201 of Public Law 108-173 as it relates to claiming a deduction for an amount that a person pays into a health savings account, except that it only applies to individuals who have not had health insurance within the ~~12 months~~ previous to their claim for the deduction that this substitute amendment allows, and to businesses that have not provided health insurance to their employees within the ~~12 months~~ previous to their claim for the deduction that this substitute amendment allows.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 SECTION 1. 71.83 (1) (ce) of the statutes is created to read:
5 71.83 (1) (ce) *Health savings accounts.* Any person who is liable for a penalty
6 for federal income tax purposes under section 223 (f) (4) of the Internal Revenue Code

60 days

60 days

1 is liable for a penalty equal to 33 percent of that penalty. The department of revenue
2 shall assess, levy, and collect the penalty under this paragraph as it assesses, levies,
3 and collects taxes under this chapter.

4 **SECTION 2.** Subchapter XVI of chapter 71 [precedes 71.98] of the statutes is
5 created to read:

6 **CHAPTER 71**

7 **SUBCHAPTER XVI**

8 **INTERNAL REVENUE CODE UPDATE**

9 **71.98 Internal Revenue Code update.** The following federal laws, to the
10 extent that they apply to the Internal Revenue Code, apply to this chapter:

11 (1) **HEALTH SAVINGS ACCOUNTS.** Section 1201 of P.L. 108–173, relating to health
12 savings accounts, except that this subsection applies only to the following:

13 (a) With regard to an individual, only an individual who was not covered by any
14 kind of health insurance within the ^{60 days} ~~12 months~~ previous to the time he or she claims
15 a deduction under this subsection.

16 (b) With regard to a person other than an individual, only such a person that
17 did not provide any kind of health insurance to its employees within the ^{12 months} ~~12 months~~
18 previous to the time the person claims a deduction under this subsection.

19 **SECTION 3. Initial applicability.**

20 (1) This act first applies to taxable years beginning on January 1 of the year
21 in which this subsection takes effect, except that if this subsection takes effect after
22 July 31 this act first applies to taxable years beginning on January 1 of the year
23 following the year in which this subsection takes effect.

24 (END)